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ABSTRACT

The course prepares the business education student to maintain voucher systems, inventory and budgetary controls, including notes, drafts, and business taxes. The student should have attained the objectives of Partnership Accounting prior to enrollment. Course content includes equipment and supplies, the voucher system, inventory control systems, budgetary control, notes, drafts, trade acceptances, and business taxes. The ourline suggests teaching procedures, strategies, and learning activities, as well as evaluative instruments and student and teacher resource materials. A 32-page appendix offers sample tests for all content areas. (MW)

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AUTHORIZED COURSE OF INSTRUCTION FOR THE QUINMESTER PROGRAM

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CONTROL SYSTEMS IN ACCOUNTING

Business Education—7709.21 (New: 7624.21)

DADE COUNTY PUBLIC SCHOOLS

DIVISION OF INSTRUCTION • 1971

CONTROL SYSTEMS IN ACCOUNTING

7709.21 (New: 7624.21)

Business Education

Written by Bobby McGahee and Mariano Carino
And Approved by the Business Education Steering Committee
For Quinmester Courses

for the

DIVISION OF INSTRUCTION
Dade County Public Schools
Miami, FL 33132
1972

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I. COURSE TITLE--CONTROL SYSTEMS IN ACCOUNTING

II. COURSE NUMBER--7709.21

III. COURSE DESCRIPTION

A. Synopsis
Prepares the student to maintain voucher systems, inventory and budgetary controls; includes notes, drafts, and business taxes.

B. Occupational Relationships--Accounting Clerk
Voucher Clerk
Accounts Receivable Balancing Clerk
Accounts Receivable Bookkeeper
Accounts Receivable Clerk
Bookkeeper I
General Ledger Bookkeeper
Bookkeeper II
Accounts-Classification Clerk
Invoice-Classification Clerk
Fixed-Capital Clerk
Medical-Voucher Clerk
Audit Clerk
Billing Control Clerk

C. Textbook
20th Century Bookkeeping and Accounting, Advanced Course, or a book selected by the school.

IV. COURSE ENROLLMENT GUIDES

Prior Experiences Needed
The student should have attained the objectives of Partnership Accounting prior to enrollment in this course.

V. COURSE OF STUDY PERFORMANCE OBJECTIVES

A. Upon successful completion of this course the student will be able to--
1. set up a voucher system;
2. record transactions in the voucher and check register;
3. reconcile a bank statement by using the check register;
4. compare orally or in writing the similarities between the--
   a. voucher register and purchases journal
   b. check register and cash payment journal
   c. unpaid voucher file and the accounts payable ledger;
5. calculate the merchandise inventory by using the following pricing methods:
   a. cost
   b. market
   c. cost or market whichever is lower
   d. FIFO
   e. LIFO
6. interpret (orally or in writing) the effects of an overstatement of the merchandise inventory on net income or net loss;

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V. COURSE OF STUDY PERFORMANCE OBJECTIVES, Continued

7. demonstrate an understanding of the importance of an inventory control system and some of the problems management encounters by discussing or writing a solution to a case problem;
8. calculate an estimated inventory by using either the gross profit or retail method;
9. prepare the following budgets from given information:
   a. sales
   b. purchases
   c. selling expense
   d. administrative expense
10. calculate the rate of merchandise inventory turnover from given information;
11. prepare a cash budget from given information;
12. prepare a summary cash budget when given the appropriate information;
13. journalize and post transactions involving notes, and drafts in the appropriate registers;
14. journalize transactions involving business taxes in the appropriate journal and registers;
15. match business terminology with given definitions

B. Acceptable performance--the student should master 85 percent of the course objectives.

VI. COURSE CONTENT

A. Equipment and Supplies
   1. Basic
      a. Desk 20" x 40" minimum table top
      b. Machines
         (1) Ten-key adding
         (2) Full keyboard adding
         (3) Printing or electronic calculator
         (4) Bookkeeping machine
      c. Conference table 30" x 60" x 29" high
      d. Lectern and wooden stool
      e. Four-drawer filing cabinet, legal size
      f. Teacher desk and chair
      g. Bookkeeping terminology dictionary
      h. Accounting paper
      i. Textbook
      j. Workbook
      k. Pencil, pen, and ruler (supplied by student)
      l. Overhead projector with roller attachment and screen
      m. Opaque projector
      n. Transparencies
      o. Bookkeeping wall charts
      p. Learning activity packages--Bookkeeping I (review)
      q. Learning activity packages--Bookkeeping II

2. Supplementary
   a. Videotape recorder or playback unit
   b. Videotape recorder table with electrical outlets
   c. Video monitor, 23" with connecting cables
   d. Listening station, with eight headsets
   e. Videotaped lessons--Bookkeeping I (review)

B. Voucher System
   1. Purposes
   2. Forms, register, and files unique to the voucher system
      a. Voucher
      b. Voucher register
      c. File for unpaid vouchers
      d. Check register
      e. File for paid vouchers
   3. Operation of the voucher system
      a. Verify source document
      b. Prepare the voucher
      c. Record approved voucher in the voucher register
      d. File the voucher in the unpaid voucher file
      e. Issue the approved check in payment of the voucher
      f. Record the check in the check register and the notation of payment in the voucher register
      g. File the voucher in the paid voucher file
      h. Post the totals of the voucher and check register
      i. Prove cash
      j. Prepare a schedule of accounts payable from the unpaid voucher file
      k. Compare the balance of the accounts payable account with the total of the schedule of accounts payable
   4. Transactions requiring special attention
      a. Payroll
      b. Petty cash
      c. Partial payments
      d. Purchases returns and allowances
      e. Note in settlement of voucher

C. Inventory Control Systems
   1. Purposes
   2. Merchandise inventory control
      a. Physical inventory
         (1) Manual method
         (2) Automated data processing
      b. Perpetual inventory
         (1) Manual method
         (2) Automated data processing
   3. Inventory records
      a. Stock record card
      b. Stock ledger card
      c. Inventory record sheet
      d. Price tag
      e. Marked sensing cards
      f. Punched cards

VI. COURSE CONTENT, Continued

4. Determine the value of merchandise inventory
   a. Actual cost
   b. Average cost
   c. Weighted average
   d. First-in, first out (FIFO)
   e. Last-in, first out (LIFO)
   f. Cost or market, whichever is lower
5. Estimating the value of merchandise inventory
   a. Purpose
   b. Methods of estimating inventories
      (1) Gross profit
      (2) Retail
      (3) Value of items on hand
6. Calculating the rate of merchandise turnover

D. Budgetary Control
1. Definition
2. Purposes
3. Types of budgets and related statements
   a. Income and expense budgets
      (1) Sales
      (2) Purchases
      (3) Selling expenses
      (4) Administrative expenses
   b. Cash budgets
      (1) Cash receipts
      (2) Cash payments
      (3) Summary cash
   c. Miscellaneous budgets and financial statements
      (1) Comparison of the income and expense budget
      (2) Comparative income statement
      (3) Sales charts

E. Notes, Drafts, and Trade Acceptances
1. Notes receivable
   a. Purpose
   b. Record the note
      (1) Interest bearing
      (2) Non-interest bearing
      (3) Notes receivable register
   c. Record the collection of the note
      (1) Interest bearing
      (2) Non-interest bearing
      (3) Collection expense
   d. Record dishonored note
   e. Record discounted note
      (1) Non-interest bearing
      (2) Interest bearing
   f. Contingent liability for discounted note

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VI. COURSE CONTENT, Continued

2. Notes Payable
   a. Purpose
   b. Record note
      (1) Interest bearing
      (2) Interest paid in advance
      (3) Notes payable register
3. Drafts
   a. Purpose
   b. Types of drafts
      (1) Sight
      (2) Time
      (3) Trade acceptance
   c. Record honored trade acceptance
   d. Notes payable register

F. Business Taxes
   1. Purposes
   2. Types of taxes
      a. Sales
         (1) Recording cash sale
         (2) Record charge sale
            (a) Transportation charges
            (b) Cash discount
         (3) Record sales tax on sales returns and allowances
         (4) Calculating method based on gross sales (sales 100% plus sales tax rate)
      b. Excise
      c. Property
         (1) Personal
         (2) Real
      d. Federal income

VII. SUGGESTED PROCEDURES, STRATEGIES, AND LEARNING ACTIVITIES

A. Suggested Teaching Methods
The methods that seem best suited for this course are small and large group discussions, supervised or independent study, videotaped presentations, individualized instructions, projects, case study, and problem solving. The method to be used will depend on the objectives of the course, caliber and number of students, course content, availability of resources, enthusiasm of the teacher, etc.

B. Business Vocabulary
To help students increase their accounting terminology as it relates to a special system of keeping records.

C. Case Study
To encourage students to analyze business problems based on their knowledge of accounting principles and managerial theories.

VII. SUGGESTED PROCEDURES, STRATEGIES, AND LEARNING ACTIVITIES, Continued

D. Videotaped Lessons--Bookkeeping 1
Students are encouraged to view any taped lesson for reinforcement purposes.

E. Learning Activity Packages--Bookkeeping 1
The LAPs parallel with videotaped lessons. They provide activities that might strengthen the students weaknesses.

F. Study Guides
Study guides may be used as a self evaluative instrument, part of a pretest, or quiz.

G. Supervised Study
This time allotment permits the students to work in groups and/or independently under the teacher's supervision. The teacher may also simulate an accounting department wherein the students are responsible for a particular phase of the accounting system.

VIII. EVALUATIVE INSTRUMENTS

The tests included in the Appendix are examples of test items that may be used to evaluate the overall progress of each student. The tests have been designed to measure the course objectives as outlined. The key to each test is also provided. The evaluative items included in these tests are as follows:

ITEM	PURPOSE
VOUCHER SYSTEM	To determine if the student knows the procedures that should be followed in setting up a voucher system, related accounting principles and the recording of business transactions.
CASE STUDY	To measure the student's ability to grasp managerial concepts either written or orally.
VALUATION OF MERCHANDISE INVENTORY	To measure the student's ability to valuate the merchandise inventory using several methods and related accounting principles.
INSTRUMENTS OF ANALYZATION	To determine if the student can prepare budgets and statements as they relate to the voucher system.
BUSINESS VOCABULARY	To measure the student's ability to use accounting terminology.

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IX. RESOURCES FOR STUDENTS

A. Books

Blanford, James T.; Clow, Cletus A.; Freeman, M. Herbert; Hanna, J. Marshall; Kahn, Gilbert; and MacDonald, Robert D. Gregg Accounting Advanced Course, 2nd ed. New York: Gregg Division, McGraw-Hill Publishing Company, 1969.

Boynton, Lewis D.; Carlson, Paul A.; Forkner, Hamden L.; and Swanson, Robert M. 20th Century Bookkeeping and Accounting, Advanced Course, 22nd ed. Cincinnati: South-Western Publishing Company, 1963.

Freeman, Herbert M.; Hanna, Marshall J.; and Kahn, Gilbert. Bookkeeping and Accounting Simplified, Advanced Course, New York: Gregg Division, McGraw-Hill Publishing Company, 1958.

B. Workbooks

Accompanying workbook for the above-named books.

C. Audio-Visual Aids

Learning Activity Packages--packages are available from Textbook Services, Dade County Public Schools, 1971:

#11A-LP-17 - THE CHECKING ACCOUNT AND RECONCILIATION OF BANK STATEMENTS
#11A-LP-19 - FINANCIAL REPORTS FOR A MERCHANDISING BUSINESS
#11A-LP-32 - NOTES AND INTEREST

Videotapes--tapes correlated with the above learning activity packages are available from the Department of Media Services, Dade County Public Schools, 1971.

X. RESOURCES FOR TEACHERS

A. Books

Blanford, James T.; Clow, Cletus A.; Freeman, M. Herbert; Hanna, J. Marshall; Kahn, Gilbert; and MacDonald, Robert D. Gregg Accounting Advanced Course, 2nd ed. New York: Gregg Division, McGraw-Hill Publishing Company, 1969.

Boynton, Lewis D.; Carlson, Paul A.; Forkner, Hamden L.; and Swanson, Robert M. 20th Century Bookkeeping and Accounting, Advanced Course, 22nd ed. Cincinnati: South-Western Publishing Company, 1963.

Boynton, Lewis D.; Carlson, Paul A.; Forkner, Hamden L.; and Swanson, Robert M. 20th Century Bookkeeping and Accounting, Advanced Course, 23rd ed. Cincinnati: South-Western Publishing Company, 1968.

X. RESOURCES FOR TEACHERS, Continued

Boynton, Lewis D.; Carlson, Paul A.; Forkner, Hamden L.; and Swanson, Robert M. 20th Century Bookkeeping and Accounting, 23rd ed. Cincinnati: South-Western Publishing Company, 1967.

Fess, Philip E. and Niswonger, Rollin. Accounting Principles, 9th ed. Cincinnati: South-Western Publishing Company, 1965.

Grant, Earl S. Successful Devices in Teaching Bookkeeping. Portland: J. Weston Walch Publishing Company, 1962.

A Guide to Business Education in Florida Schools, Bulletin 72. Tallahassee: State Department of Education, 1967.

Karrenbrock, Wilbert E. and Simons, Harry. Advanced Accounting, Comprehensive Volume, 3rd ed. Cincinnati: South-Western Publishing Company, 1961.

Taussig, Russell and Vance, Lawrence L. Accounting Principles and Control, rev. ed. New York: Holt, Rinehart and Winston, Inc., 1966.

B. Teacher's Manuals

Manuals are available from respective publishing companies

C. Other Materials

Learning Activity Packages--teacher package with evaluation instruments and keys, available from Department of Educational Media Services, Dade County Public Schools.

Videotapes--available from Department of Educational Media Services, Dade County Public Schools. Tapes correlate with the learning activity packages.

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APPENDIX

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Part I

INSTRUCTIONS: Journalize the following transactions for the Smitty's Supermarket during April of the current year in a voucher register, check register, and general journal. The company has three departments.

April 1. The bank balance of March 31 was $15,605.

1. Issued Voucher No. 101 for $250 owed to Anderson Realty in payment of April rent. Issued Check No. 535 in payment of this voucher.

3. Issued Voucher No. 102 for $1,525 to Briggs Manufacturing Company for merchandise purchased on account as follows: Dept. A, $600; Dept. B, $410; Dept. C, $515.

4. Issued Voucher No. 103 for $850 owed to Morris Print Shop to pay for advertisement.

7. Issued Check No. 536 in payment of Voucher No. 103.

8. Received a credit memorandum from Briggs Manufacturing Company for $300 purchased on April 3. Cancelled Voucher No. 102.

Issued Voucher No. 104 for $1,225 for merchandise purchased on account and purchases returns and allowances as follows: Dept. A, $75; Dept. B, $125; Dept. C, $100.

9. Purchased display cases for $5,000 from Robbins Manufacturing Company with agreement to pay in four equal installments. Issued Vouchers 105, 106, 107, and 108. Gave a 30-day non-interest bearing note in payment of Voucher No. 105.

10. Deposited $6,762.55 in the bank.

11. Issued Check No. 537 for $1,225 to Briggs Manufacturing Company in payment of Voucher No. 104.

12. Issued Voucher No. 109 for $3,613 to Allan Wholesale Inc., terms 2/10, n/30, for the purchase of merchandise on account as follows: Dept. A, $2,300; Dept. C, $1,313.

13. Issued Voucher No. 110 for $62.50 to Eagle Supply Company for office supplies, $30.50; and store supplies, $32.00, purchased on account.

15. Issued Voucher No. 111 for $4,171.43 to Payroll for the semi-monthly payroll as follows: Office Salary Expense, $1,800; Delivery Salary Expense, $1,100; Store Salary Expense, $2,061.50; FICA Taxes Payable, $223.27: Employees Income Taxes Payable, $566.80.

VOUCHER SYSTEM TEST, Continued

April 15. Issued Check No. 538 for $4,171.43 to Payroll in payment of Voucher No. 111.

19. Deposited $5,247.50 in the bank.

21. Issued Voucher No. 112 for $76.18 to Petty Cash to replenish the petty cash fund for the following disbursements: Office Supplies, $19.20; Store Supplies, $22.00; and Miscellaneous Expense, $34.98.

22. Issued Check No. 539 for $76.18 to Petty Cash in payment of Voucher No. 112.

22. Issued Check No. 540 for $3,613 to Allan Wholesale, Inc., in payment of Voucher No. 109.

30. Deposited $3,000 in the bank.

INSTRUCTIONS:

1. Foot, prove, total, and rule the voucher register and the check register.

2. Prepare a bank reconciliation statement. The cash balance according to the checkbook stub is $20,129.44. The bank balance on April 30 is $21,118.62. The following checks are outstanding: Check No. 539 and Check No. 540. Note: The deposit on April 30 has not been recorded on the bank's statement.

3. Prepare a schedule of accounts payable from the voucher register.

VOUCHER SYSTEM TEST, Continued

Part II

DIRECTIONS: After each statement below, place a check mark in one of the answer columns to indicate your answer. T is True and F is False.

		Answers	
		T	F
1.	The purpose of the voucher system is to have greater control over the cash payment and the purchase of merchandise.		
2.	In a voucher system, a voucher and a check are synonymous.		
3.	A schedule of accounts payable is not prepared when a business uses a voucher system.		
4.	Vouchers are filed in the unpaid voucher file in alphabetical order.		
5.	The unpaid vouchers file corresponds to the open accounts in the accounts payable ledger.		
6.	Each check written in the check register is a debit to accounts payable.		
7.	In the voucher system, the check register takes the place of the cash payments journal.		
8.	When using the voucher system, posting to the creditor's account is eliminated.		
9.	Before a voucher is recorded in the voucher register, it must be approved by a designated official.		
10.	Special columns may be added to the voucher register to handle transactions that occur frequently during an accounting period.		
11.	The accounts payable account in the general ledger is the controlling account for the unpaid vouchers.		
12.	Partial payment of a voucher is filed in the paid voucher file.		
13.	A separate voucher is not necessary when payments are in a series of installments.		
14.	When merchandise has been returned on an approved voucher, it is only necessary to make a pencil notation.		
15.	For each purchases invoice, a separate voucher is prepared.		

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MERCHANDISE INVENTORY TEST

DIRECTIONS: After each statement below, place a check mark in one of the answer columns to indicate your answer. T is True and F is False.

	Answers	
	T	F
1. During a rising market using the lifo method, your ending inventory will be lower.		
2. During a declining market using the fifo method, your ending inventory will be lower.		
3. An overstatement of the ending inventory has no effect on the net income.		
4. If an understatement of the ending inventory is made, the net income will be overstated.		
5. An error can be detected by comparing the physical inventory with the perpetual inventory.		
6. The Internal Revenue requires a business to take at least one physical inventory a year.		
7. Purchase of merchandise has no effect on the merchandise inventory.		
8. The net purchases is not needed in calculating the ending inventory under the retail method.		
9. The rate of merchandise turnover is a useful means of determining how successful the operations of the business is performing.		
10. The physical inventory must be taken when the merchandise inventory is at its highest level.		
11. It is necessary to take a physical inventory when a perpetual inventory is maintained.		

CASE PROBLEM #1

List several ways in which accurate inventory records aid management.

CASE PROBLEM #2

The management of Wilson and Wagner wants to exercise more control over cash payments and the purchase of merchandise on account. Mr. Wilson wants to know the similarities that the voucher system shares with the special journals and ledgers now being used. As an expert accountant, how would you inform him of the similarities?

COST AND MARKET INVENTORY

INSTRUCTIONS: Complete the following inventory sheet for the Brooks Corporation, as of December 31, of the current year. Use cost or market, whichever is the lower.

Stk. No.	Unit of Count	No. of Units on hand	Unit Price Cost	Unit Price Market	Value at Lower of Cost or Market
A	Set	27	$ 2.50	$ 2.25	
B	Dozen	88	12.00	12.50	
C	Each	40	1.00	.90	
D	Dozen	24	5.90	5.95	
E	Each	115	3.20	3.30	
F	Set	84	4.90	4.50	
G	Dozen	96	2.00	1.75	
H	Each	150	4.80	4.70	
I	Set	34	8.50	8.60	
J	Dozen	28	38.50	39.00	

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LIFO AND FIFO METHODS TEST

The bookkeeper of Johnson's Appliance Store obtained the following information from the records of the business concerning the purchases of washing machines during the current year:

Model	Beginning Inventory January	First Purchase	Second Purchase	Third Purchase	Ending Inventory Count December 31
102	5 @ $ 60	5 @ $ 65	10 @ $ 70	5 @ $ 75	4
103	3 @ 80	7 @ 81	10 @ 82	2 @ 85	5
406	5 @ 140	3 @ 155	9 @ 160	5 @ 157	6
694	7 @ 210	10 @ 220	4 @ 225	6 @ 250	3
840	2 @ 220	6 @ 230	3 @ 215	10 @ 225	4

INSTRUCTIONS: From the above information, calculate the ending inventory using the LIFO and FIFO methods.

RETAIL METHOD TEST

The Johnson Candy Company uses the retail method in calculating its ending inventory. The following information is taken from the bookkeeping records:

January 1, 19-- Beginning Inventory	$280,000
Net Purchases for the period January 1 - June 30	320,000
Net Sales for the period January 1 - June 30	586,400
Cost of Merchandise Sold (% of Net Sales)	75%

INSTRUCTIONS:

1. Compute the ending inventory.
2. Complete a partial income statement through gross profit on sales.

SALES BUDGET AND PURCHASES BUDGET TEST

On December 31, 1972, the Stockton Company prepares a sales and purchases budget for the 1973 calendar year. According to the accounting records, sales have increased approximately 7% each year over the last five years. It is expected that this increase will continue in 1973.

The management plans to add a new line of merchandise beginning September 1, 1973, through December, 1973. During this period, sales are expected to increase 5% over the sales in 1972.

The accounting records also indicate that the business purchases its merchandise for about 80% of the selling price. Merchandise is purchased approximately one month before the items are sold.

The records show the following monthly sales--sales are rounded to the nearest $100 for the months of 1972:

January	$48,600	July	$67,500
February	53,100	August	65,200
March	52,900	September	77,100
April	59,700	October	78,600
May	64,200	November	82,000
June	64,900	December	87,500

INSTRUCTIONS:

1. Prepare a sales budget for each month of 1973. Round off to the nearest hundred dollars.

2. Prepare a purchases budget for each month of 1973. The purchases for December, 1973, will be based on the anticipated sales for January, 1974, which are estimated to be $58,300. Round off to the nearest hundred dollars.

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INCOME AND EXPENSE BUDGET TEST

The Johnson Company has set up the following guides based on their past performance:

a. The total of net sales for 1973 are estimated at $900,000.
b. The cost of merchandise sold is estimated at 60% of net sales.
c. The expenses for 1970 are estimated as follows (the percentages are based on the net sales expected for 1973):

Selling Expenses

Advertising Expense .7%
Delivery Expense .4%
Depreciation Expense, Delivery Equipment $2,000
Depreciation Expense, Store Equipment $1,500
Miscellaneous Selling Expense .3%
Sales Salary Expense 3.5%
Store Supplies Expense .5%

Administrative Expenses

Bad Debts Expense .05%
Depreciation Expense, Office Equipment $3,500
Insurance Expense .5%
Miscellaneous Administrative Expense .25%
Office Salary Expense 2.5%
Office Supplies Expense .35%
Rent Expense $10,000
Tax Expense 1.5%
Utilities Expense .95%

INSTRUCTIONS:

Prepare an income and expense budget for the Johnson Company for the year ending December 31, 1973. Round off the estimates to the nearest $10.

The following information shows the estimated sales, purchases, and cash payments for expenses for the McGahee Company for 1973:

Month	Sales	Purchases	Cash Payment for Expenses
January	150,000	90,000	15,000
February	151,000	100,000	13,000
March	152,000	105,000	16,000
April	153,000	103,000	11,000
May	153,300	95,000	20,000
June	155,000	110,000	25,000
July	151,000	85,000	10,000

INSTRUCTIONS: Prepare a summary of cash budget for the six month period from January 1 to June 30, 1973. In preparing the cash budget assume the following information:

a. Beginning cash balance for January 1, 1973, $25,950.
b. In each month, the cash received from cash sales and from collections of accounts receivable will be equal to 1/4 of the sales for the month plus 1/2 of the sales for the preceding month.
c. In each month, the cash payment for cash purchases and to apply on accounts payable will be equal to 1/5 of the purchases for the current month plus 3/4 of the purchases for the preceding month.
d. There will be no other cash receipts and no other cash payments except those listed in the cash payment for expense column.

DUE DATE TEST

The table below gives specific data about several notes receivable.

INSTRUCTIONS: For each of the notes compute--

1. The maturity date
2. The value at maturity
3. The number of days for which discounted
4. The amount of the discount
5. Proceeds

No. of Note	Date of Note	Face Value	Time	Interest Rate	Date Discounted	Discount Rate
1	February 14	$3,000	90 days	7%	March 19	7%
2	April 20	2,800	60 days	6%	June 1	5%
3	May 2	1,400	30 days	5%	May 16	6%

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SALES TAXES TEST

Kevan Jones owns and operates an appliance business. He completed the sales and sales returns and allowances transactions given below during May of the current year.

INSTRUCTION: Record the following transactions in a columnar sales journal and sales returns and allowances journal, using the current year.

May 2. Charge Sales No. 11, B. Smith, $100.00; sales tax, $4.00.

4. Charge Sales No. 12, A. Pedraja, $75,00; sales tax, $3.00.

8. Charge Sales No. 13, K. Brown, $350.00; sales tax, $12.00.

12. Issued Credit Memorandum No. 51 to B. Smith for an allowance granted for defective merchandise shipped to them on May 2, $50, and sales tax on allowance, $2.

15. Charge Sales No. 14, W. Jenkins, $275.00; sales tax, $10.00.

19. Issued Credit Memorandum No. 52 to K. Brown for the return of merchandise included in the invoice of May 8, $25, and sales tax on the return, $1.

24. Charge Sales as follows: No. 15, R. Bradley, $73.00; sales tax, $2.92; transportation charge, $10.

No. 16, M. Floyd, $150.00; sales tax, $6.00; transportation charge, $15.

INSTRUCTIONS: Foot, prove, total, and rule the journals.

MERCHANDISE TURNOVER TEST

The following information was abstracted from three different businesses:

	X	Y	Z
Merchandise Inventory, January 1	$ 90,000	$ 60,000	$ 70,000
Merchandise Inventory, December 31	80,000	50,000	80,000
Net Sales	900,000	700,000	800,000
Cost of Merchandise Sold is a % of of Net Sales	60%	55%	50%
National average rate of merchandise turnover for similar businesses	6-7	8-9	6-7

INSTRUCTIONS:

1. For each business shown above, calculate the rate of merchandise turnover.

2. Compare the rate of merchandise turnover for each of the three businesses with the national average for that kind of business. Indicate if the rate is favorable or unfavorable.

PROPERTY TAX TEST

The Morris Food Chain had the business property subject to tax. The tax rate was 30 mills and the property was assessed at $200,000. Tax notices were mailed February 1, 1973. The taxes are payable in full by April 1, 1973.

INSTRUCTIONS: Record in general journal form the following transactions:

December 31, 1972	The adjusting entry for the accrued property tax expense. (The company owes accrued property taxes for half the year from July 1, 1972 to December 31, 1972.)
January 1, 1973	Record the reversing entry for the accrued property taxes.
February 15, 1973	The entry on receipt of the tax statement to record the total amount of the property tax liability.
April 1, 1973	The entry to record the payment in full for property taxes owed.

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NOTES RECEIVABLE TEST

The following transactions were selected from those completed by Brown Manufacturing Company, manufacturers of store equipment, during the months of January, February, and March of the current year.

INSTRUCTIONS: Record the following transactions in a general journal and a cash receipts journal:

January 10. Received from Alan White a 30-day, non-interest-bearing note (our #42), dated January 8, for $800, payable at the Citizen National Bank, in settlement of his account.

January 25. Received from William Strachan a 90-day, 6% interest-bearing note (our #43), dated January 24, for $1,800, payable at our office, for an extension of time on account.

February 9. Received a cashier's check for $797, from Citizen National Bank. The notice of collection stated the note of Alan White (our $42), for $800, had been collected. The bank's collection charge was $3.

February 12. Discounted at the Midway National Bank, the note (our #43) signed by William Strachan. The discount rate was 6%. The bank credited our account for the proceeds.

February 13. Received from Robert Steel a 30-day, non-interest-bearing note (our #44), dated February 13, for $750, payable at Second National Bank, in settlement of his account.

March 15. Robert Steel was unable to pay his note (our $44) when it became due.

NOTES PAYABLE AND DRAFTS TEST

The transactions given below are a portion of those completed by the Johnson Brothers, a wholesale dealer; during April and May of the current year.

INSTRUCTIONS: Record the transactions in a two-column general journal, a cash receipts journal, a voucher register, and a check register. Because these transactions are only a portion of those completed by the Johnson Brothers during the two months, do not make any entries in the Balance column of the check register.

April 10. Issued a 60-day, 6% note for $1,000 to the Peoples National Bank for a loan (Note Payable No. 35). The interest is to be paid at maturity. The bank credited our account for the amount of the loan.

April 14. Honored a 60-day, non-interest-bearing trade acceptance for $800 from Atlantic Shipping Company, dated April 13, for the purchase of merchandise (Note Payable No. 36).

April 20. Issued Voucher No. 485 for $1,010 to the Peoples National Bank for Note Payable No. 35 for $1,000 plus interest of $10 due today.

April 20. Issued Check No. 345 for $1,010 to the Peoples National Bank in payment of Voucher No. 485.

April 29. Issued Voucher No. 486 for $400 to the Peoples National Bank for a shipment of equipment. The bill of lading and the sight draft for the shipment were sent to the bank by the seller.

April 29. Issued Check 346 for $400 to the Peoples National Bank in payment of Voucher No. 486.

May 2. Issued a 30-day, non-interest-bearing note for $5,000 to the Peoples National Bank for a loan (Note Payable No. 37). The bank deducted $25 interest in advance and credited the proceeds to our account.

May 12. Issued Voucher No. 487 for $800 to Atlantic Shipping Company for Note Payable No. 36.

May 12. Issued Check No. 347 for $800 to Atlantic Shipping Company in payment of Voucher No. 487.

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BUSINESS VOCABULARY TEST

DIRECTIONS: On your notebook paper write the numbers 1 through 40, one below the other, representing all statements listed. Select one of the terms that is described by each statement, and write the identifying letter of the term beside the number of the statement. Do not use a letter more than once.

Statements

1. A source document that provides written authority for an accounting transaction.
2. A system of controlling cash expenditures and purchases of merchandise.
3. An authorized official who prepares vouchers.
4. A book of original entry in which vouchers are journalized.
5. A form of a cash payments journal that is used in the voucher system.
6. A special check that provides space for recording the purpose of the cash payment.
7. An inventory that is taken by counting, weighing, etc., the item on hand.
8. A book inventory that shows a continuous amount of items on hand.
9. A form that shows the kind of merchandise, amount received, the amount issued, and the balance on hand.
10. A ledger that contains all stock record cards.
11. A method of pricing the ending inventory assuming that the first merchandise purchased is the first sold.
12. A method of pricing the ending inventory assuming that the last merchandise purchased is the first sold.
13. A financial report that is prepared for a period that is part of a regular accounting period.
14. A method used to estimate the value of an ending inventory quickly and economically at any time during an accounting period.
15. The number of times a firm replaces the items carried in stock during a year.
16. A means of planning the financial operations of a business.
17. An estimate of the income and expenditures of a business for a future period.

18. An income statement that shows financial data for more than one accounting period.

19. An unconditional written promise (signed by the maker) to pay a fixed amount of money on a specific date.

20. A promissory note received by a firm from its customers.

21. A note that the maker refuses or is unable to pay when it becomes due.

22. The act of transferring a note to a bank for cash before the maturity date.

23. Interest charged or collected in advance by a bank.

24. The amount that a borrower receives for a note when it is sold to a bank.

25. A liability that does not exist at the time of preparing a balance sheet but may develop into a real liability.

26. A register in which notes receivable are recorded in detail.

27. A promissory note issued by a firm to its creditors.

28. A person who requests the bank to pay cash from his account.

29. A person or firm who is ordered to pay the amount specified in a draft.

30. A person or business to whom the amount of the draft or check is to be paid.

31. A draft that is payable upon presentation.

32. A sight draft that is paid at the time it is presented.

33. A sight draft that is not paid when it is presented.

34. A draft that is payable on a specific date.

35. A special form of a draft signed by a customer at the time of a sale.

36. A register in which notes payable are recorded in detail.

37. A tax levied by the federal government on specific sales and services.

38. Property such as land and anything permanently attached to it.

39. Any property that can not be classified as real property.

40. The value placed on property by tax authorities.

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TERMS

a. assessed value
b. bank discount
c. budget
d. budgeting
e. check register
f. comparative income statement
g. contingent liability
h. discounting a note receivable
i. dishonored note
j. dishonored sight draft
k. drawee
l. drawer
m. excise tax
n. FIFO
o. honored sight draft
p. interim statement
q. LIFO
r. note receivable
s. note payable
t. notes payable register
u. notes receivable register
v. payee
w. perpetual inventory
x. personal property
y. physical inventory
z. proceeds
aa. promissory note
bb. rate of merchandise turnover
cc. real property
dd. retail method of estimating an inventory
ee. sight draft
ff. stock ledger
gg. stock record card
hh. time draft
ii. trade acceptance
jj. voucher
kk. voucher check
ll. voucher clerk
mm. voucher register
nn. voucher system

VOUCHER SYSTEM TEST KEY

From pages 10-11

Page

Voucher Register

Date	Vchr. No.	Creditor	Paid Date	Paid Ck. No.	Accounts Payable Cr.	
19--						
April 1	101	Anderson Realty	April 1	535	250.00	1.
3	102	Briggs Manufacturing Company	See Vchr. 104		1,525.00	2. 3.
4	103	Morris Print Shop	April 7	536	850.00	4.
8	104	Briggs Manufacturing Company	April 12	537	1,225.00	5. 6.
						7. 8. 9. 10.
9	105	Robbins Manufacturing Company	Canceled		1,250.00	11. 12.
	106	Robbins Manufacturing Company			1,250.00	13. 14.
	107	Robbins Manufacturing Company			1,250.00	15. 16.
	108	Robbins Manufacturing Company			1,250.00	17. 18.
12	109	Allans Wholesale, Inc.			3,613.00	19.
13	110	Eagle Supply Co.			62.50	20.
						21.
15	111	Payroll	April 15	538	4,171.43	22.
						23. 24. 25. 26.
21	112	Petty Cash	April 21	539	76.18	27.
						28. 29.
30		Totals			16,773.11	30.

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From pages 10-11

For the Month of April 19--

	Distribution Purchases Dr.			General			Page
	Dept. A	Dept. B.	Dept. C	Account	P. R.	Dr.	Cr.
1.				Rent Expense		250.00	
2.							
3.	600.00	410.00	515.00				
4.				Advertising Expense		850.00	
5.							
6.				Accounts Payable		1,525.00	
7.				Pur. Ret. and All.			
8.				Dept. A			75.00
9.				Dept. B			125.00
10.				Dept. C			100.00
11.							
12.							
13.							
14.							
15.							
16.							
17.							
18.				Store Equipment		5,000.00	
19.	2,300.00		1,313.00				
20.				Office Supplies		30.50	
21.				Store Supplies		32.00	
22.				Office Salary Expense		1,800.00	
23.				Delivery Salary Expense		1,100.00	
24.				Store Salary Expense		2,061.50	
25.				FICA Tax Payable			223.27
26.				Employees Inc. Tx. Pay.			566.80
27.				Office Supplies Expense		19.20	
28.				Store Supplies Expense		22.00	
29.				Miscellaneous Expense		34.98	
30.	2,900.00	410.00	1,828.00			12,725.18	1,090.07

From pages 10-11

Check Register — Page

Date	Ck. No.	In Favor of	Vchr. No.	Accounts Payable Dr.	Cash Cr.	Deposit	Bank Balance
19--							
April 1		Balance					
1	535	Anderson Realty	101	250.00	250.00		15,605.00
7	536	Morris Print Shop	103	850.00	850.00		15,355.00
10		Deposit					14,505.00
11	537	Briggs Manufacturing Company	104	1,225.00	1,225.00	6,762.55	21,267.55
15	538	Payroll	111	4,171.43	4,171.43		20,042.55
19		Deposit					15,871.12
21	539	Petty Cash	112	76.18	76.18	5,247.50	21,118.62
22	540	Allans Wholesale, Inc.	109	3,613.00	3,613.00		21,042.44
30		Deposit					17,429.44
						3,000.00	20,429.44
		Totals		10,185.61	10,185.61		

Smitty's Supermarket
Schedule of Accounts Payable
April 30, 19--

Voucher No. 106	Robins Manufacturing Company	$1,250.00
Voucher No. 107	Robins Manufacturing Company	1,250.00
Voucher No. 108	Robins Manufacturing Company	1,250.00
Voucher No. 109	Allan's Wholesale, Inc.	3,613.00
Voucher No. 110	Eagle Supply Company	62.50
	Total Schedule of Accounts Payable	$7,425.00

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From pages 10-11

General Journal — Page

Date	Account Title	Post. Ref.	Debit	Credit
April 9	Accounts Payable		1,250.00	
	Notes Payable			1,250.00
	Cancel Voucher No. 105			

Smitty's Supermarket
Bank Reconciliation Statement
April 30, 19--

Checkbook Balance	$20,429.44	Bank Balance	$21,118.62
		Add Deposit in transit	3,000.00
		Total	$24,118.62
		Outstanding Checks:	
		Check No. 539 $ 76.18	
		Check No. 540 3,613.00	
		Less Total Outstanding Checks	3,689.18
Adjusted Checkbook Balance	$20,429.44		$20,429.44

From page 12

1. True	6. False	11. True
2. False	7. True	12. False
3. False	8. True	13. False
4. False	9. True	14. False
5. True	10. True	15. True

MERCHANDISE INVENTORY TEST KEY

From page 13

1. True	5. True	9. True
2. True	6. True	10. False
3. False	7. False	11. False
4. False	8. False	

CASE PROBLEM #1 KEY

From page 14

Inadequate inventory records is one of the main reasons why some businesses fail.

Inventory control helps management by:

1. Letting management know what are the best sellers and/or the slowest moving merchandise.
2. Keeping their capital investment at a minimum, so that they will not overpurchase.
3. Maintaining storage and warehouse facilities at a minimal amount, so they will not be paying for unnecessary space.
4. Informing management of the size of their inventory so that they will not be paying large sums of money on insurance premiums or high taxes based on the size of the inventory.

CASE PROBLEM #2 KEY

From page 14

A bookkeeping system that utilizes special journals includes the following:

Journals--
- Purchases Journal
- Cash Payments Journal
- Sales Journal
- Cash Receipts Journal
- General Journal

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CASE PROBLEM #2 KEY, Continued

From page 14

Ledgers--
- General Ledger
- Accounts Payable Ledger
- Accounts Receivable Ledger

Supporting Statements
- Schedule of Accounts Receivable
- Schedule of Accounts Payable

In the voucher system the--

1. Check register replaces the cash payments journal. The advantages of the check register are:

   a. A voucher has been approved for each cash expenditure.
   b. The responsibility of authorization for payment is delegated to one or two individuals.

COST AND MARKET INVENTORY TEST KEY

From page 14

Stk. No.	Value at Lower of Cost or Market
A	$ 60.75
B	1,056.00
C	36.00
D	141.60
E	368.00
F	378.00
G	168.00
H	705.00
I	289.00
J	1,078.00
Total Ending Inventory 12/31	$4,280.35

LIFO AND FIFO METHOD TEST KEY

From page 15

LIFO METHOD:

4 @ $ 60=		$ 240.00
3 @ 80=	$240.00	
2 @ 81=	162.00	
Total		402.00
5 @ $140=	$700.00	
1 @ 155=	155.00	
Total		855.00
3 @ $210=		
2 @ 220=	$440.00	630.00
2 @ 230=	460.00	
Total		900.00
Total Merchandise Inventory		$3,027.00

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FIFO METHOD:

4 @ $ 75=		$ 300.00
2 @ 85=	$170.00	
3 @ 82=	246.00	
Total		416.00
5 @ $157=	$785.00	
1 @ 160=	160.00	
Total		945.00
3 @ $250=		750.00
4 @ 225=		900.00
Total Merchandise Inventory		$3,311.00

RETAIL METHOD TEST KEY

From page 15

A.

Beginning Inventory January 1, 19--	$280,000
Add Net Purchases	320,000
Merchandise Available for Sale	$600,000
Merchandise Available for Sale	$600,000
Cost of Merchandise Sold--Less $586,400 Net Sales x 75%	- 439,800
Ending Inventory June 30, 19--	$160,200

RETAIL METHOD TEST KEY, Continued

From page 15

B.

Johnson Candy Company
Partial Income Statement
June 30, 19--

Net Sales:		$586,400
Cost of Merchandise Sold:		
Beginning Inventory January 1, 19--	$280,000	
Add Net Purchases	320,000	
Merchandise Available for Sale	600,000	
Less Ending Inventory June 30, 19--	160,200	
Cost of Merchandise Sold		439,800
Gross Profit on Sales		$146,600

SALES BUDGET AND PURCHASES BUDGET TEST KEY

From page 16

Sales Budget

Stockton Company
Sales Budget
For the Year Ending December 31, 19--

Month	1972 Actual	1973 Estimate
January	$ 48,600	$ 52,000
February	53,100	56,800
March	52,900	56,600
April	59,700	63,900
May	64,200	68,700
June	64,900	69,400
July	67,500	72,200
August	65,200	69,800
September	77,100	86,400
October	78,600	88,000
November	82,000	91,800
December	87,500	98,000
Total	$801,300	$873,600

From page 16

Purchase Budget

Stockton Company
Purchase Budget
For the Year Ending December 31, 1973

Month	1973 Estimate
January	$ 45,400
February	45,300
March	51,100
April	55,000
May	55,500
June	57,800
July	55,800
August	69,100
September	70,400
October	73,400
November	78,400
December	46,640
Total	$703,840

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INCOME AND EXPENSE BUDGET TEST KEY

From page 17

Johnson Company
Income and Expense Budget
For the Year Ending December 31, 1973

Net Sales			$900,000
Less Cost of Merchandise Sold:			540,000
Gross Profit on Sales			$460,000
Operating Expenses:			
Selling Expenses			
Advertising Expense	$ 6,300		
Delivery Expense	3,600		
Depreciation Expense, Delivery Equipment	2,000		
Depreciation Expense, Store Equipment	1,500		
Miscellaneous Selling Expense	2,700		
Sales Salary Expense	3,150		
Store Supplies Expense	4,500		
Total Selling Expenses		$23,750	
Administrative Expenses			
Bad Debt Expense	$ 450		
Depreciation Expense, Office Equipment	3,500		
Insurance Expense	4,500		
Miscellaneous Administrative Expense	2,250		
Office Salary Expense	22,500		
Office Supplies Expense	3,150		
Rent Expense	10,000		
Tax Expense	13,500		
Utilities Expense	8,550		
Total Administrative Expenses		68,400	
Total Operating Expenses			92,150
Net Income			$367,850

MERCHANDISE TURNOVER TEST
KEY

From page 20

Company X:

Merchandise Inventory January 1	$ 90,000
Merchandise Inventory December 31	80,000
Total	$170,000

$170,000 ÷ 2 = $85,000 average inventory
Cost of Merchandise Sold ($900,000 Net Sales x 60%) = $540,000

a. Merchandise Turnover
$540,000 cost of merchandise sold ÷ $85,000 average inventory = 6.4

b. Favorable

Company Y:

Merchandise Inventory January 1	$ 60,000
Merchandise Inventory December 31	50,000
Total	$110,000

$110,000 ÷ 2 = $55,000 average inventory
Cost of Merchandise Sold ($700,000 Net Sales x 55%) = $385,000

a. Merchandise Turnover
$385,000 cost of merchandise sold ÷ $55,000 average inventory = 7

b. Unfavorable

Company Z:

Merchandise Inventory January 1	$ 70,000
Merchandise Inventory December 31	80,000
Total	$150,000

$150,000 ÷ 2 = $75,000 average inventory
Cost of Merchandise Sold ($800,000 Net Sales x 50%) = $400,000

a. Merchandise Turnover
$400,000 cost of merchandise sold ÷ $75,000 average inventory = 5.3

b. Unfavorable

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From page 18

The McGahee Company
Summary Cash Budget
For the Six Months Ending June 30, 1973

Estimated	January	February	March	April	May	June
Cash Balance, Beginning	$ 25,950	$ 30,950	$ 32,950	$ 34,100	$ 46,150	$ 40,480
Cash Receipts	113,000	113,750	114,500	114,900	115,830	114,250
Cash Available	138,950	144,700	147,450	149,000	161,980	154,730
Cash Payments	108,000	111,750	113,350	102,850	121,500	110,750
Cash Balance, Ending	$ 30,950	$ 32,950	$ 34,100	$ 46,150	$ 40,480	$ 43,980

SUMMARY OF CASH BUDGET TEST KEY

From page 19

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Sales Journal

Page

Date	Sales No.	Account Debited	Post. Ref.	Accounts Receivable Dr.	Sales Cr.	Transportation on Sales Cr.	Sales Taxes Payable Cr.
19--							
May 2	11	B. Smith		104.00	100.00		4.00
4	12	A. Pedraja		78.00	75.00		3.00
8	13	K. Brown		362.00	350.00		12.00
15	14	W. Jenkins		285.00	275.00		10.00
24	15	R. Bradley		85.92	73.00	10.00	2.92
24	16	M. Floyd		171.00	150.00	15.00	6.00
31		Totals		1,085.92	1,023.00	25.00	37.92

Sales Returns and Allowances Journal

Page

Date	Credit Memo No.	Account Credited	Post. Ref.	Accounts Receivable Cr.	Sales Ret. and Allow. Dr.	Sales Taxes Payable Dr.
19--						
May 12	51	B. Smith		52.00	50.00	2.00
19	52	K. Brown		26.00	25.00	1.00
31		Totals		78.00	75.00	3.00

General Journal — Page

Date	Account Title	Post. Ref.	Debit	Credit
1972 December 31	Property Tax Expense		3,000.00	
	Property Taxes Payable			3,000.00
1973 January 1	Property Taxes Payable		3,000.00	
	Property Tax Expense			3,000.00
February 15	Property Tax Expense		6,000.00	
	Property Taxes Payable (Amount of Tax Statement)			6,000.00
April 1	Property Taxes Payable		6,000.00	
	Cash			6,000.00

Due Date

1 No. of Note	1 Maturity Date	2 Value at Maturity	3 Number of Days Discounted	4 Amount of the Discount	5 Proceeds
1	May 15	$3,052.50	57	$33.83	$3,021.82
2	June 19	2,828.00	18	7.07	2,820.93
3	June 1	1,405.83	16	3.75	1,405.12

From page 21

Notes Receivable

General Journal — Page

Date		Account Title	Post. Ref.	Debit	Credit
19--					
January	10	Notes Receivable		800.00	
		Accounts Receivable/Alan White			800.00
		Note No. 42			
	25	Notes Receivable		1,800.00	
		Accts. Rec./William Strachan			1,800.00
		Note No. 43			
February	13	Notes Receivable		750.00	
		Accounts Receivable/Robert Steel			750.00
		Note No. 44			
March	15	Accounts Receivable/Robert Steel		750.00	
		Notes Receivable			750.00
		Dishonored Note 44			

Cash Receipts Journal — Page

Date		Account Title	Post. Ref.	General Dr.	General Cr.	Accounts Receivable Cr.	Cash Dr.
19--							
February	9	Notes Receivable (No. 42)			800.00		
		Miscellaneous Administrative Expense		3.00			797.00
	12	Notes Receivable (No. 43)			1,800.00		
		Interest Income			5.08		1,805.08

From page 22

General Journal — Page

Date	Account Title	Post. Ref.	Debit	Credit
19--				
April 14	Purchases		700.00	
	Notes Payable			700.00
	Note Payable No. 36			

Cash Receipts Journal — Page

Date	Account Title	Post. Ref.	General Dr.	General Cr.	Accounts Receivable Cr.	Cash Dr.
19--						
April 10	Notes Payable (No. 35)			1,000.00		1,000.00
May 2	Notes Payable (No. 37)			5,000.00		
	Interest Expense		25.00			4,975.00

BUSINESS VOCABULARY TEST KEY

From page 23

1. jj	11. n	21. i	31. ee
2. nn	12. q	22. h	32. o
3. ll	13. p	23. b	33. j
4. mm	14. dd	24. z	34 hh
5. e	15. bb	25. g	35. ii
6. kk	16. d	26. u	36. t
7. y	17. c	27. s	37. m
8. w	18. f	28. l	38. cc
9. gg	19 aa	29. k	39. x
10. ff	20 r	30. v	40. a

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Voucher Register — Month of April 19-- — Page

Date	Vchr. No.	Creditor	Paid Date	Ck. No.	Accounts Payable Cr.	General Account	Post. Ref.	General Dr.
19--								
April 20	485	Peoples National Bank	April 20	345	1,010.00	Notes Payable		1,000.00
						Interest Expense		10.00
29	486	Peoples National Bank	April 29	346	400.00	Equipment		400.00
May 12	487	Atlantic Shipping Co.	May 12	347	800.00	Notes Payable		800.00

Check Register — Page

Date	Ck. No.	In Favor of	Vchr. No.	Accounts Payable Dr.	Cash Cr.	Bank Deposits	Bank Balance
19--							
April 10		Deposit				500.00	
20	345	Peoples National Bank	485	1,010.00	1,010.00		
29	346	Peoples National Bank	486	400.00	400.00		
May 2		Deposit				4,975.00	
12	347	Atlantic Shipping Co.	487	800.00	800.00		

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